



**State Senator**

**Hansen Clarke**

P.O. Box 30036  
Lansing, MI 48909-7536



Recycled  
Paper



**Working for You!**

PRSRT STD  
U.S. POSTAGE  
**PAID**  
LANSING, MI  
PERMIT NO. 1200

# Senator Hansen Clarke Fighting for Lower Auto Insurance!

## Group Purchasing To Lower Urban Insurance Rates

**C**ommunity and faith-based organizations in urban areas can create purchasing groups that negotiate directly with insurance companies on behalf of their members under an initiative introduced by Governor Jennifer Granholm and Insurance Commissioner Linda Watters.

Governor Granholm and Commissioner Watters recently announced the new plan that would make home and auto insurance more affordable. Under the proposal, community groups, churches, and neighborhood organizations would team up to create groups of potential customers.

These customers are required to have a good insurance claims history. The lower risk presented by group members should result in lower insurance rates.

The Governor's Office of Community and Faith-Based Initiatives will work with local clergy and groups to find people who fit the qualifications to form purchasing groups.

For more information, contact the Office of Community and Faith-Based Initiatives by calling (313) 456-0015 or visit them on their website at [www.michigan.gov/outreach](http://www.michigan.gov/outreach).



## Insurance Q & A

**Q Is auto insurance mandatory?**

**A** Michigan law requires insurance, and every car registered must be insured. Even to get your license plates, you have to get basic coverage.

**Q Is Michigan a "no-fault" state?**

**A** Yes. Michigan is what is known as a no-fault state. Michigan adopted no-fault in 1973 to increase the level of benefits paid to injured persons.

**Q What if I fail to keep insurance on my vehicle that I've registered in Michigan?**

**A** If you own a car and you drive it, or allow someone else to drive it, without basic no-fault insurance, you can be sued and held personally liable. You may also be convicted of a misdemeanor and fined from \$200 to \$500, put in jail for up to one year, or both.

**Q I have insurance but would like to reduce my premiums. Is there any way?**

**A** There are a number of ways that you might reduce the cost of your insurance. For example, you might ask about premium savings if you increase your

deductibles. Doing so will mean that you pay more out of your pocket should a loss occur, but it will reduce the premium you pay.

You could also ask about steps you could take to receive a discount on your premium from the company. For example, some companies reduce your premium if you have certain safety features such as air bags, anti-lock brakes, or an alarm system on your vehicle, if you have no tickets or accidents, or if you have more than one type of policy with the same company.



Capitol Outlook

# Hansen Clarke

**State Senator • 1st District • Toll-free 877.252.7537**

*Dear Friends:*

*Auto insurance rates must be lowered. They have risen at such an alarming rate in the past few years that many people are wondering how they will be able to pay the high cost.*

*In Michigan, auto insurance rates have increased far beyond the rate of inflation statewide and have skyrocketed in Detroit. Auto insurance must be made affordable. It's time for a change.*

*I urge you to contact your legislators and encourage them to support legislation to bring down the city's auto insurance rates.*

*Sincerely,*

*Hansen Clarke*

*Hansen Clarke • State Senator*

## ■ Senator Hansen Clarke Fighting To End Insurance Discrimination

### Senator Clarke to Stop Insurance Companies From Charging Higher Rates to Customers Based on Education and Occupation

Insurance companies are charging higher rates to safe drivers without college degrees or professional jobs. This discriminatory practice must stop. All of Michigan's citizens deserve fair and equal treatment when it comes to determining rates. No one should be charged a higher rate because of where they work, where they

live, and if they have a college degree or not. That goes against the fundamental principles on which this country was founded.

The Declaration of Independence states, "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness."

As your State Senator, I am committed to fighting for your constitutional rights. It's what you are owed and deserve.

Currently, I am working on legislation that would ban insurance companies from basing auto insurance rates on a driver's education or job status. I intend to lower auto insurance rates for blue-collar workers without degrees. The Consumer Federation of

America recently found that a leading insurance company bases its auto insurance rates on a driver's education and occupation. A comparison of auto insurance rates charged by this company in Detroit found that a janitor with a high school diploma would pay nearly two times more than a white-collar employee with a law degree. The investigation has uncovered numerous forms of discrimination.

If my parents were still living, my mom, a graduate of Detroit's Northern High School who worked as a school crossing guard, could pay far more than me. My father, who did not have steady employment and had a 3rd grade education, would pay even higher rates. It wouldn't matter that my parents were safe drivers. That's outrageous!

